

## STAFF REPORT

|                       |  |
|-----------------------|--|
| Agenda Item No.:      | 4  |
| Work Plan:            | Fire Protection Work Plan  |
| Topic:                | Annual Topic: Approval of Forest Protection District Budgets and Rates   |
| Presentation Title:   | Approval of the Forest Protection District 2016 Fiscal Budgets and Rates   |
| Date of Presentation: | June 3, 2015   |
| Contact Information:  | Travis Medema, Chief, Fire Protection<br>(503) 945-7204 <a href="mailto:travis.s.medema@oregon.gov">travis.s.medema@oregon.gov</a><br>Doug Grafe, Deputy Chief, Fire Protection Program<br>(503) 945-7271 <a href="mailto:doug.grafe@oregon.gov">doug.grafe@oregon.gov</a> |

### SUMMARY

ORS 477.265 requires the Board of Forestry to annually review the forest protection district budgets and pass final approval on all district budgets including the prorated acreage assessment rates.

### CONTEXT

Oregon's wildfire protection system has historically provided an effective and efficient method of addressing the state's fire protection responsibilities – both in initial attack and large fire management needs. The system uses a “complete and coordinated” methodology and is funded through a complex mix of landowner and state general fund dollars. The system provides policy, prevention and suppression activities at the national, statewide and district levels. The delivery of these services are reviewed annually and predominately funded through the development of fiscal protection budgets in which the costs are proportioned on a legislative determined statutory ratio of landowner and general fund dollars.

#### Development Process:

Consistent with statutory direction<sup>1</sup>, each year in January, the state office and districts begin developing a fire protection budget to fund activities for the upcoming fiscal year (July 1<sup>st</sup> – June 30<sup>th</sup>). During the development process, district budget committees analyze and review the draft budget prior to making recommendations to the District Forester. The budget committee then carries the final recommended budget to the Board of Directors of the Forest Protective Association for consideration at the annual spring association meeting. Additionally, each district holds a public meeting for any landowners affected by the budget to provide an opportunity for any additional public comments on the budget.

The last step in the district fiscal protection budget process is submittal to the State Forester and then official approval by the Board of Forestry in June. Attachment 1 provides a summary of the fiscal year 2016 recommended budgets.

---

<sup>1</sup> ORS 477.235 Forester to prepare tentative budget estimates for districts  
ORS 477.240 Advisory and guidance committees  
ORS 477.255 Holding of budget meeting; revision and submission for final approval  
ORS 477.265 Board to deal with budgets annually

## **BACKGROUND**

Throughout the development of the fiscal year 2016 budgets and spring association meetings, landowners have expressed appreciation for the level of protection and service they receive from the Associations and Department. Association meetings have been very collaborative and productive with excellent dialog focusing on important fire protection related topics.

There was much discussion on the impacts of 2013 and 2014 fire season with recognition and appreciation for the complete and coordinated fire protection system in Oregon. Legislative support to participate in the full costs of the 2013 and 2014 fire season was also recognized and appreciated. The increasing costs of fire protection remains a focus point of concern, with the recognition that the Wildfire Protection Act helped to alleviate some of these challenges in the short term.

The 2016 fiscal year budgets reflect the actual cost computations from the 2013 fire seasons which drove increased rates across many of the Districts and Headquarter Services Budget. Personnel costs including step increases and COLA's were also a main driver of increased budgets and rates. Central Oregon experienced some of the greatest timber rate increases this year with over \$2/acre assessed to the private landowner and \$4/acre to the public landowner in this District. There was much discussion on this particular budget regarding the inability of the landowner to afford the adequate level of protection budget, due to the ability of the land to generate the necessary revenue. It was also acknowledged and discussed they appreciate and require these services.

## **ANALYSIS**

Comparing the fiscal year 2016 budgets to the 2015 Board of Forestry approved budgets, landowner costs saw increases in budgets, primarily due to the extreme 2013 and 2014 fire seasons accounting for the most destructive fire season on ODF protected lands since 1951. These budgets represent an adequate level of protection as required by ORS 477.210.

## **RECOMMENDATION**

The Department recommends the Board approve all Fiscal Year 2016 District and Association Protection Budgets as presented in Attachment 1.

## **ATTACHMENT**

- (1) FY 16 Budget Summary, by District and Area